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1980 B/PAA SALARY/JOB SURVEY

Business · Professional
Advertising Association

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I. BACKGROUND

In 1968 and in 1973 and in 1978 the Business-Professional Advertising Association conducted a study of remuneration and employment data with a randomly selected sample of the organization's membership.

These studies showed that salaries for members were considerably above national averages for all workers and higher than most other white collar jobs.

1968, 1973 and 1978 Salary Medians

	1968	1973	1978
Total Membership	$15,200	$20,000	$27,800
Members Employed by:			
Advertisers	13,700	18,400	25,600
Advertising Agencies	17,700	22,200	28,700
Publications	17,800	23,100	33,200

In February of 1980 a fourth study was conducted nearly identical to the first three. This report details the findings from this latest study in light of the 1968 and 1978 findings so that a comparison may be made of the base year and last year's study.

II. METHODOLOGY

In February of 1980 BPAA mailed a questionnaire to 3290 international members. This represented all personnel within membership categories of advertisers, advertising agencies and publications.

Number mailed	3290	
Non-deliverable	15	
Net mailed	3275	100%
Number returned for use in this study	1208	37%

All data were based upon the number of questionnaires received.

All questionnaires were received and processed by Business Research Associates. All questionnaires were edited and coded to assure logical response patterns for completeness.

The data was keypunched, 100% key verified and cleaned for keypunch and logic errors by a computer program especially designed for this study.

III. FINDINGS

General Salaries

Median salaries of BPAA members increased by 20% between the 1978 and 1980 studies. Since 1968 median salaries have more than doubled. The ranking of the three membership segments remains the same:

Publishing
Agency
Advertisers

TABLE 1

SALARY
— Median —

	1980	1978	1968	% Increase 1968-1980	% Increase 1978-1980
Total BPAA	$33,300	$27,800	$15,200	119%	20%
Advertisers	30,800	25,600	18,700	125	20
Agency	34,200	28,700	17,700	93	19
Publishing	39,700	33,200	17,800	129	20

Base:		
	Total BPAA	1208
	Advertisers	535
	Agency	369
	Publishing	304

Members working in the Middle Atlantic states have the greatest median salaries ($34,400) followed closely by those in the East North Central states ($34,300). The members from the West North Central States, South Atlantic and Pacific Region have the lowest median salaries ($30,000-$29,700). Over the past two years median salaries in the Middle Atlantic states have risen the fastest, while those in the South Atlantic region have not kept up with the rate of inflation.

TABLE 2

MEDIAN SALARY BY GEOGRAPHIC AREAS

	1980	1978	1968	% Increase 1968-1980	% Increase 1978-1980
Northeast	$33,000	$28,300	$15,700	110%	17%
Middle Atlantic	34,400	25,000	15,500	122	38
South Atlantic	30,000	28,400	15,600	92	6
East North Central	34,300	28,600	15,300	124	20
East South Central	**	27,500	—	—	—
West North Central	30,000	24,000	13,600	121	25
West South Central	33,100	24,700	14,600	127	34
Mountain	**	28,300	14,700	—	—
Pacific	29,700	24,000	14,300	108	24
Canada	31,900	25,300	14,700	117	26

**Sample too small to calculate.

Additional Compensation

TABLE 3

ADDITIONAL COMPENSATION

	Advertisers		Agency		Publication	
	1980	1978	1980	1978	1980	1978
No Additional Compensation	41%	45%	21%	17%	26%	23%
Receives Additional Compensation	57	54	78	80	71	72
No Answer	2	1	1	1	3	5
Median Additional Compensation (in thousands)	$3.3	$2.9	$5.5	$4.2	$7.3	$5.3

Better than seven out of ten members working for agencies or publishers receive some sort of additional compensation (in addition to their salaries). Less than six out of ten advertiser members receive additional compensation and that is nearly half of what is received by agency and publisher members.

These proportions are about equal to 1978 and shows that this compensation factor has, on an overall basis, kept up with inflation.

Age Factors

As might be expected, median salaries increased with age. Increases were greatest among the youngest membership group (25%) over the past two years.

TABLE 4

SALARY BY AGE

				% Increase	
	1980	1978	1968	1968-1980	1978-1980
Over 60	$38,100	$31,300	$19,400*	+ 96%	+22%
50-59	37,500	32,000	17,200	118	17
40-49	36,900	30,600	17,100	116	21
30-39	30,700	25,100	14,400	113	22
25-29	23,700	18,900	11,200	112	25

*Base unstable.

Member Age

The median age of members appears to be increasing, moving from 42 in 1968 to 44 in 1980. Publishing showed the greatest segment increase, going from 42 in 1968 to 45 in this year's study.

TABLE 5

MEMBER AGE

— Median —

	1980	1978	1968
Total BPAA	44	42	42
Advertisers	42	42	41
Agency	44	41	43
Publishing	45	44	42

Length of Time With the Organization

Length of time with their organizations is somewhat lower in 1980 versus 1978 but still considerably above 1968. Agency members have dropped considerably, moving from 6.0 years in 1968 and 7.0 years in 1978 to 5.7 years in 1980. Advertiser members have also dropped slightly while publication members continue to increase their length of service with their present companies.

TABLE 6

MEDIAN YEARS WITH PRESENT COMPANY

	1980	1978	1968
TOTAL	7.3	7.8	5.8
Advertisers	8.1	8.3	6.3
Agency	5.7	7.0	6.0
Publications	7.8	7.3	5.8

Salaries by Membership Segment

As might be expected, median salaries tend to rise with advertising expenditures. Since 1978 median salaries have risen about 20%. The greatest increase has been among the largest advertisers (40% for $5 million and over).

Most BPAA members (59%) have advertising budgets under $1 million with over a third being under $500,000.

TABLE 7

MEDIAN INCOMES BY SIZE OF COMPANY'S ADVERTISING EXPENDITURES

Budgets	Median Salary 1980	Median Salary 1978	Percent of Total 1980	Percent of Total 1978
Total	$30,800	$25,600	535=100%	539=100%
$5,000,000 or over	39,200	28,100	6%	6%
$3,000,000 to $4,900,000	38,500	33,700	6	4
$1,000,000 to $2,999,999	33,700	28,800	25	18
$500,000 to $999,999	29,500	26,300	21	24
$100,000 to $499,999	27,700	23,200	32	39
Less than $100,000	25,400	20,900	6	9
No answer			4	—

Advertising Agencies

Median salaries are highest among top $25 million+ and the $5-$10 million agencies. The billing of agencies, in general, has increased somewhat in the past two years. In 1978 53% had billings under $5 million. In 1980 this has dropped to 46%.

TABLE 8

MEDIAN SALARIES — ADVERTISING AGENCY MARKETS

Agency Billings	Median 1980	Median 1978	Base 1980	Base 1978
Total	$34,200	$28,700	369=100%	284=100%
Billing over $25,000,000	36,600	28,300	23	20
$10,000,000-$24,999,999	32,700	29,200	16	15
$5,000,000-$9,999,999	36,300	32,000	15	12
$1,000,000-$4,999,999	35,200	30,000	32	34
Less than $1,000,000	30,000	26,700	14	19

Percent Increase in Billings Over the Past 5 years

Better than nine out of ten agency executives indicated that their billings had increased over the past two years. 29% said the increase had been over 100% versus 24% in 1978. This is a reflection of the economy. In 1973 only 70% indicated an increase and, of these, 17% increased over 100%.

TABLE 9

PERCENT INCREASES IN BILLINGS OVER THE PAST FIVE YEARS

	1980	1978
BASE	369=100%	284=100%
Billings Increased	340= 92%	258= 91%
	100%	100%
Increased less than 20%	7%	11%
20-29%	13	12
30-39	12	10
40-59	13	13
60-79	5	3
80-99	2	2
100-149		13
150-200	29	3
More than 200		8
No Answer	19	25
Billings stayed the same	4	5
Billings decreased	2	3
No Answer	2	—

TABLE 10

ADVERTISING APPROPRIATIONS INCREASE/DECREASE OVER PAST 5 YEARS

	1980	1978
BASE	535=100%	543=100%
INCREASED	398= 74%	392= 72%
	100%	100%
Less than 20%	57%	47%
20-29	16	12
30-39	4	8
40 or More	15	—
No Answer	8	33
Stayed the same	15%	18%
Decreased	7	9
No Answer	4	1

Anticipated Increase In Advertising Expenditures Over the Next 5 Years

Less than half of the companies contacted expected increases of 30% in the next five years. The western states appear to show the greatest potential, with nearly one in five expecting an increase of 40% or more.

ANTICIPATED INCREASE IN ADVERTISING EXPENDITURES OVER THE NEXT 5 YEARS

		REGION						
	TOTAL	N.E.	M.A.	S.A.	E.N.C.	W.N.C.	W.S.C.	Mountain Pacific
BASE	535	62	117	16	147	26	42	80
PERCENTAGE	100%	100%	100%	100%	100%	100%	100%	100%
Less than 20%	47%	42%	50%	44%	43%	77%	31%	45%
20-29%	16	18	15	31	15	0	29	16
30-39%	3	3	3	0	2	8	5	5
40-59%	9	8	7	0	10	0	10	13
Over 60%	5	6	3	19	4	4	7	6
No Answer	20	23	22	6	26	11	18	15

SOURCE: Table 7

Advertiser Perception of Increases in Personnel in the Next 5 Years

About one third of the members foresee no increases in personnel in the next five years. As might be expected, the western states expect the greatest increase with 35% anticipating increases of 40%.

ADVERTISER PERCEPTION OF INCREASES IN PERSONNEL IN THE NEXT FIVE YEARS

		REGION						
	TOTAL	N.E.	M.A.	S.A.	E.N.C.	W.N.C.	W.S.C.	Mountain Pacific
BASE	535	62	117	16	147	26	42	80
PERCENTAGE	100%	100%	100%	100%	100%	100%	100%	100%
No increase	31%	27%	43%	19%	34%	23%	17%	23%
Less than 10%	6	6	7	6	5	8	7	9
10%-19%	12	6	14	13	12	27	17	5
20%-29%	20	19	15	23	23	8	31	18
30%-39%	5	6	3	13	7	8	2	6
40%-59%	10	13	8	13	6	12	12	18
60%-99%	1	2	0	0	1	0	0	2
100% and over	9	16	7	13	3	8	5	15
No Answer	6	5	3	0	9	6	9	4

Advertiser Breakdown of Current Expenditures

Most advertisers put the bulk of their advertising dollars into trade publications, catalogs and trade shows.

ADVERTISER BREAKDOWN OF CURRENT EXPENDITURES

	0	Less Than 10%	10-19%	20-29%	30-39%	Over 40%
Trade Publications	13%	2	9	18	21	37
Trade Shows	20%	26	33	13	4	4
Company Catalogs	22%	9	24	24	12	9
Direct Mail	30%	39	21	7	1	2
Publicity	44%	40	14	2	*	0
Slides and Movies	46%	40	12	1	*	*
Production	55%	20	18	5	1	1
Directories	60%	34	4	1	*	*
Dealer Aids	66%	24	8	1	1	0
Research	66%	31	2	*	0	0
External House Organ	79%	16	4	2	*	0
Newspapers	88%	7	2	2	*	1
Consumer Publications	93%	3	2	*	*	*
Spot Radio	95%	4	1	*	0	*
Farm Publications	97%	2	*	*	*	*
Spot TV	97%	1	1	*	*	*
Network TV	98%	*	1	*	1	*
Outdoor/Transit	99%	1	*	*	0	0

*Less than .5%

Publication Field Covered

Most publishing members, as can be expected, represent magazines in the manufacturing area.

PUBLISHING MEMBERS

BASE	304
PERCENTAGE	100%
Agriculture	2%
Mining	8
Construction	7
Manufacturing	46
Transportation	7
Wholesale	*
Retail	1
Finance	1
Services	14
Public Administration	2
All others	6
No Answer	6

*Less than .5%

Years in Present Position

Thirty-six percent of BPAA members have been in their present position for five years or longer. As in 1978, the Publication members show a longer association with their present title (48% have held the same title for five years or longer). In general, all members show about the same longevity in their present positions as in prior studies.

TABLE 11

YEARS WITH PRESENT TITLE

	Total		Advertisers		Agency		Publications	
	1980	1978	1980	1978	1980	1978	1980	1978
BASE	1208	1088	535	543	369	284	304	258
Percentage	100%	100%	100%	100%	100%	100%	100%	100%
Under 1 year	15%	15%	16%	15%	17%	16%	10%	11%
1 - 2 years	26	25	28	28	27	24	21	19
3 - 4 years	22	24	23	24	22	23	21	25
5 years or more	37	36	33	33	34	37	48	45

Present Job Titles

Advertisers

Most members (55%) in this category are in advertising or sales management positions. 15% are at the director level or higher.

Agency

One in four members (27%) are presidents, owners, or partners of their agencies. An additional 38% are VPs (12% senior or executive VPs).

Publications

Better than half (52%) of members in this category are regional or district managers for their publications, with an additional 13% having the title of sales manager or director.

Education of Members

Better than 7 out of 10 members have an undergraduate degree or better. This is up somewhat from the 1978 study.

BPAA MEMBERS HOLDING DEGREES

	1968	1978	1980
Masters or higher	10%	12%	13%
Bachelors	57	50	66
Associate or no degree	—	18	19
No Answer	33	20	2

Current Job Designation

Advertiser members are primarily manager level advertising or sales. Agency members are top agency management while publishing members are represented by senior sales executives.

CURRENT JOB DESIGNATION

	ADVERTISERS	AGENCY	PUBLISHERS
BASE	535	369	304
PERCENTAGE	100%	100%	100%
President/Owner/Partner	1%	27%	2%
Executive V.P.	3	12	N/A
V.P.		27	4
Director of Advertising	7	N/A	4
Director of Marketing	5	N/A	N/A
Manager Advertising	32	N/A	N/A
Manager Sales	23	N/A	13
Account Executive	N/A	12	N/A
Media Executive	N/A	7	N/A
Account Supervisor	N/A	9	N/A
Publisher	N/A	N/A	N/A
Regional Manager	N/A	N/A	22
District Manager	N/A	N/A	30
Salesman	N/A	N/A	7
All others	29	6	18

Members Operating Areas

Communications, as might be expected, was listed most often as a member's operating area. This was followed by sales promotion and marketing.

MEMBERS' OPERATING AREA

	TOTAL	ADVERTISER	AGENCY	PUBLICATION
BASE	1208	535	369	304
PERCENTAGE	100%	100%	100%	100%
Communications	49%	62%	54%	19%
Sales Promotion	42	52	37	28
Marketing	36	39	39	28
Public Relations	28	39	26	11
Management	28	25	39	21
Marketing Research	21	18	27	19
Merchandising	14	15	14	11
Sales Training	12	14	7	13
Sales Management	12	5	5	35
Product Development	8	7	6	4
Packaging	8	13	6	1
Industrial Relations	2	3	2	1
Other	11	6	13	18
No Answer	6	2	3	16